Starting Your Business

A guide to resources for BC women

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Starting Your Business

If you're thinking of starting a business, you're in good company. Today BC has almost 360,000 small businesses, and women own or operate almost 36 per cent of them – the highest rate in Canada.

But between your first flash of inspiration and starting an established business, there are many decision points. How do you know you've covered all the bases? And how do your find your way through all the information available to would-be entrepreneurs?

About this guide

From drafting a business plan to finding the start-up money, this guide will help explain what you need to know and where you can find the information. You will also meet inspirational BC women who generously share their own business experiences.

At the end of each section, you'll find sources for more information, and key resources are summarized at the end of the guide. These have been specially selected for women starting a business in BC and provide valuable information. But the list is far from exhaustive – there are literally hundreds of other sources to check out, so use the Internet and visit your local library or bookstore to track down more information.

Keep this guide on your desk, bookmark your favourite resources and revisit the personal stories as a reminder that "Yes, I can do it!"

Seven Steps to Your Business:

1. Vision
2. Market Analysis
3. Business Plan
4. Financing
5. Set up
6. Promotion
7. Management

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Getting Started

Dolly Watts
Liliget Feast House

"I always wanted to own a business, but I didn't know what kind. I was always exploring.

"This one came straight at me, and I couldn't turn it down. People wanted everything I cooked. I really had no choice."

Dolly Watts is a wonder. At age 49, she went to university; at 57, she started a catering business; at 60, she opened a restaurant. And at 69, she won the Gold Medal in an Iron Chef competition in Vancouver.

Dolly owns and operates Liliget Feast House in Vancouver, a restaurant that celebrates the aboriginal food of her childhood. In 2001, she won a National Aboriginal Achievement award for business and commerce. Dolly estimates that, between her catering business and her restaurant, she's spent "more than $1 million in wages for aboriginal people."

Liliget is a combination of all the things that matter to Dolly: she's an organizer and a manager, and she enjoys the business end; her family works with her; the restaurant features native cooking; and it gives her a chance to share her Git'ksan heritage and culture with customers.

"I knew it was the only native restaurant in Canada," she says, "and because I studied anthropology at university, I could talk to anyone about our culture. I was very outspoken and not shy to talk about it."

Even Dolly's website finds a balance between savvy marketing and being true to herself. She's a poet, and uses her website to give customers another sense of her life.

"When we launched the website, we launched it at an international market – especially the poetry. I wanted people to see what my life was really like – that it really was me picking berries, or participating in a large funeral. People are really thankful to learn about native people."

You have a great idea, and you wonder why no one thought of it before. Before you start filling out loan applications or renting office space, ask yourself some tough questions – and be prepared to do your homework.

1. Do you have what it takes to be your own boss?

To manage a successful business, you'll need:

- Passion for your idea and the ability to communicate it to others.
- Motivation to develop a plan and to work hard to carry it out.
- Problem-solving skills.
- Multi-tasking skills to handle a hundred details at once, as well as develop and manage your business strategy.
- Self-confidence: trust in your decisions and people skills.
- Flexibility to recognize and adapt to change, opportunities and unforeseen developments.
- Ability to sell yourself and your products or services.
- Persistence to see your idea through.

2. What's your vision?

Why do you want to go into business? Is it to follow your passion, take control of your life and career, achieve influence and success, or become financially independent? How would a business help you achieve that? How do you expect things to look three years down the road? See "Building Your Plan," page 8.

3. Who might want to buy your product or service?

It's all about people. Your decisions on everything from product to price to location need to be based on the characteristics and needs of your potential customers. See "Defining Your Market," page 6.

4. How would you manage financially?

You may need money to pay for office space, supplies, equipment, inventory and to cover your personal income needs, perhaps for a year or more. See "Finding the Money," page 12.

5. What do you need to know to run a business?

Think multi-tasking: you will have to manage your space, inventory, suppliers, finances, marketing and correspondence. Even if you hire professionals to help, you will need to understand enough of what they do to oversee their work and apply it to your situation. See "Learning the Ropes," page 16.

6. How would a business affect your personal life?

The first three years in a new business are usually defined by a steep learning curve and long hours. Many business owners put holidays and personal plans on hold until they become established. Good organization, clear boundaries and the cooperation of family members are critical to success. See "Finding the Balance," page 20.

Are you a one-woman band, a micro business or a SME (small or medium-sized enterprise)?

- Sole proprietorship: that's just you.
- Micro business: under 5 employees.
- Small business: 5-50 employees.
- Medium-sized business: 50-100 employees.

Resources

- Self-assessment and business resources for women, **www.wes.bc.ca**, 1-800-643-7014.
- "Getting Started," **www.smallbusinessbc.ca**. Follow the Small Business link to Online Small Business Workshop, or call 1-800-667-2272.
- "Exploring Business Opportunities: A Guide for Entrepreneurs," **www.gov.bc.ca/sbed**. Click on Reports and Publications.
- Strategis Guides: "Starting a Business," **http://strategis.gc.ca**.
- "Business Start-Up Assistant: Your Guide to Starting a Small Business in Canada," **http://bsa.cbsc.org**.
- "Business for Beginners" (3rd ed.), Frances McGuckin. Eastleigh Publications, 2003.
- "Starting a Successful Business in Canada" (16th ed.), J.D. James. International Self-Counsel Press, 2004.

Working From Home?

Christine Corkan
Java Jazz
Mobile Café Ltd.

"I like to get out there with the truck to make contacts and keep fans warm more than just about anything."

If ever there was a textbook good-news business story, Christine Corkan's is it. She had run down the street for a coffee and missed her son's soccer goal. While she was climbing back up the bleachers, it hit her: why not bring the coffee to the people?

"Vancouver is a coffee city, and it's a recreating city." she says. "Most people have three bucks in their pocket for a latte. I'm pretty much a normal person, and if I wanted this, I knew others would want it too."

Christine was already working part-time, but she didn't feel her future was secure. So she started pursuing her dream, a business she could manage from home. She did a lot of background work while she established her business, a gourmet coffee café on wheels. She was never daunted, even though it took more than a year to go from the light bulb to the first latte. "I just took it one day at a time, learned what the next step was and did it."

Christine discovered that she's a hit with her niche market – parents watching their kids at the park. Her challenge now is to rein in her business. With her own children at home, she's determined to have her business serve her life, not the other way around. So when she thinks about expansion, she looks at options that support that philosophy, like franchising her Mobile Café.

"I work about six hours a day on the weekend. I like that I don't have a sign that says I'm open from 9-5, whether people want the coffee or not. I'm around for a few hours, then I go home."

You don't have to run a full-fledged operation with inventory, a storefront and employees to be a legitimate business. If you sell flowers at a roadside stand or design websites from your home, you own a business. It doesn't matter that your office is a computer in the corner of the bedroom or that it's a part-time commitment.

Consultants and people who own cottage and hobby-oriented businesses will benefit from taking their enterprise as seriously as a corporate CEO. No matter how big or small your business, you're investing time, money and intellectual capital to make it work.

The good news is that your business can be shaped to meet your needs. Keep it simple, or make it as complex as you like. Whatever your style, consider the following advice.

First, get the financial facts

One of the biggest advantages of working from home is being able to deduct a portion of your living expenses. Make an appointment with an accountant or financial advisor, who can explain how much of your rent, mortgage, utilities and car costs you can declare. They can also help you set up a straightforward bookkeeping system.

Make sure you talk about GST. If you earn more than $30,000 a year, it's mandatory to charge it to your customers. But if you earn less, you have a choice to opt out (information current as of 2004). The advantage of charging GST is that you can also claim any GST you pay on business-related expenses – from a box of staples to a new laptop computer.

Set up a separate business identity and accounts

If you live with other people (especially teenagers), get a business phone. Record a professional voice mail message and don't let anyone else answer incoming calls. If you don't want to have two phone lines in your home, use a cell phone.

Apply for a credit card in your own name, and use only it for business transactions. Not only will you build your credit record, it's a good way to track and record business expenses. Pay the entire bill each month, from a line of credit if necessary, to avoid high interest rates.

Set up a separate business bank acccunt. Use it to deposit your cheques and pay all business-related costs. If you qualify for a line of credit or overdraft, attach it to this account. It will cover the gaps between sending an invoice and receiving a cheque. You can also write off any interest costs you're charged on a line of credit or credit card that is used specifically for purchases for your business.

Consider buying your own Internet address, featuring your company name. Doing so will give you:

- an email address that promotes your business;
- a memorable Internet address for your future website; and
- a virtual identity that stays the same, even if you change service providers.

Resources

- "Starting a Home-Based Business: A Manual for Success," **www.gov.bc.ca/sbed**. Click on Reports and Publications.
- "The Women's Home-Based Business Book of Answers: 78 Important Questions Answered by Top Women Business Leaders," Maria T. Bailey. Roseville, California, 2001.
- "Raising Your Business: a Canadian Woman's Guide to Entrepreneurship," Joanne Thomas Yaccato with Paula Jubinville. Prentice Hall Canada, 1998.

Defining Your Market

Janet Feirin
Arán Foods Inc

Janet Feirin was a young mother of three children. She had a gluten sensitivity and nowhere to buy wheat-free products. So she perfected a range of specialty recipes and launched her business.

"I started selling spelt bread every Saturday at the East Vancouver Farmers' Market and within two or three weeks, I was selling out," she said. "I thought: Okay – this is my test market. If I can sell here, there's a customer base. And if there's a customer base, it might make sense to open a storefront."

Janet started a business plan. But in 1998, there wasn't a lot of information about either specialty breads or gluten-sensitive customers.

"My first problem was how to do market research on something that doesn't exist yet. One way I showed a growth in the industry was by looking back in the Yellow Pages. In 1995, there wasn't even a listing for organic products. In 1997, there were four places. And in 1998, there were 11 places. That's how I showed growth."

Janet built a website so people looking for wheat-free bread could find her. She also sent brochures to naturopaths, dieticians and nutritionists. "I made sure that the medical professionals who were diagnosing people with food intolerances had information about my products."

"There used to be only two places in Vancouver where you could buy organic food. Now you can buy it at Safeway. "That didn't just happen … over the years, people have actually been purchasing organics, and putting their money where their mouths are.

"These days, Janet's business is well established, and she's still conducting market research. "I listen to the news and the latest health issue is trans-fat free food," she says. "You want to gear your business to what your customers need."

Every business decision you make, from the design, production and pricing of your product or service, to the location of the store or office, to the way you choose to advertise will be determined by two questions: who are your customers and what do they want? The more you know about who your customers are, the more successful your business will be.

Market research is all about getting to know your service or product, potential customers, the competition and your business environment. You can do your own research, or you can hire a market research firm.

Primary research is gathered through formal or informal surveys. It helps determine how potential customers feel about the products or services you plan to offer, what they like or dislike about them, how much they'd pay, or if they'd drive across town to make the purchase.

Secondary research includes existing statistics about your industry and customers (like geographic location, population), gathered from sources such as Statistics Canada, BC Stats, Small Business BC, libraries, government and economic development agencies, local Community Futures offices, Chambers of Commerce, universities and publications. Getting information can sometimes be challenging if you're researching new industries, or doing business in rural areas.

Your market research will answer key questions such as:

Who is your target market? How many potential customers do you have and what are their habits? Are they male or female? What are their ages, races, income and education levels? Where do they live? What do they have in common? Explore every avenue for potential customers.

What is their purchasing power? Buying habits? How much disposable income do your customers have? How much do they spend on products or services similar to yours? Do they value cost savings or time savings? Is convenience a decision point for them?

What's the psychological makeup of your customers? What values and qualities do they hold near and dear? Are they swayed by low prices or high ethical standards? Are they impulse buyers or not? Will word of mouth and reputation influence them?

Who is your competition? What are your competitors' marketing advantages? Disadvantages? Are there any niches you can fill? What can you do for your customers that your competition isn't already doing?

What environmental factors are you dealing with? Are there any big-picture social or economic issues that could affect your business? For example, is the local economy growing or stagnating? Will you suffer if the Canadian dollar drops or rises? Is your target market a certain age? What happens when they outgrow your product?

The information you collect will reveal trends, opportunities and vulnerabilities. You may need to modify the design of your product or service, adjust your price, widen your territory or carry a broader range of products. Or you may find that your inspiration was bang-on.

In "The 80% Minority," Joanne Yaccato notes that 80 percent of all consumer decisions are made or strongly influenced by women. Knowing this may affect how you package, distribute and support your product or service.

Resources

- Market Research for Small Business, **www.biztown.ca**.
- Small Business BC, **www.smallbusinessbc.ca/research**.
- E-business Connection, **www.e-bc.ca**.
- BC Stats, **www.bcstats.gov.bc.ca**.
- Statistics Canada, **www.statcan.ca**.
- Business Gateway, **http://businessgateway.ca**.
- Strategis Guides: "Researching Markets", **http://strategis.gc.ca**.

Building Your Plan

Chanel Yang
L'amour du Vin
Winemaking

"We did everything: we bought a map of the city and put coloured dots on it so we could see what locations didn't have this kind of store. We went to a liquor store to ask people our survey questions. It all went into the business plan."

When Chanel Yang submitted her business plan for L'amour du Vin in a competition, she was looking for two things: the $1,000 prize money, and the chance to have her plan critiqued by professionals.

"At first, I thought a business plan wasn't very important, that it was just paperwork. But because we wanted to open a winemaking store, and we needed to look at the local market, we visited our competitors' stores looking for their strengths and weaknesses. We started to make notes about the character, the staff, etc. so we would remember." Those notes were the start of her business plan.

When she registered her store's name, Chanel noticed a promotion for Small Business BC's annual province-wide business plan competition. She entered, and spent the next two weeks completing her plan. As a result, she started focusing in on her target market, their needs, a marketing plan and possible locations.

Chanel's analysis turned up an unexpected opportunity – there was market potential for serving the needs of connoisseurs who make their own wine for love of the process and the product. That knowledge determined her location in an upscale neighbourhood.

Chanel won the prize, but the real value was the fact that she ended up with a comprehensive business plan. "I think we won because we had Plan A and Plan B, and we considered what we could do if something didn't work," she says. "Our business plan was very detailed, and now that we're thinking of expanding, I'm looking at those sections again."

If you're serious about having a business, here's where you start. Writing a business plan will help you identify the strengths and weaknesses of your idea, your resources and your situation. It will help you decide if you should pursue your idea, and help keep you on track as you grow. And if you're looking for financing or investors, a business plan is essential.

You can hire someone to draft your plan, but if you can, it's best to prepare it yourself and start getting to know your business inside and out. Take the time to review several sample plans, and make use of one of the templates and models available online or in print.

An online interactive business planner (see Resources) can help you break the task into manageable chunks. Make sure you study the automated financial reports it will generate to learn how they work and relate to each other. You will need to fully understand these reports to answer questions from lenders and investors later on.

A typical business plan includes:

Company information: Sets out your company's name, history, size, type of operation (home-based, or commercial), legal structure (sole proprietorship, partnership, incorporated company) and location. See "Making it Official" on page 11. This part also describes your intentions, which may be expressed in a vision or mission statement.

Product or service information: Describes the nature of your product or service, its key features and benefits and its competitive advantages.

Management plan: Outlines the ownership and management structure of your business. It includes division of responsibilities, resumes for yourself and your management team and contact information for lawyers, bankers or accountants.

Market research and analysis: Describes the nature and size of the industry in which you will operate, growth potential, common costs and profit margins, current trends and future prospects for your product or service. It identifies your potential customers or target market (gender, interest group, location, income level, their buying trends). Explores market trends and unique challenges of different regions in the province that could affect your plans. Analyzes your competitors' strengths and weaknesses and how you measure up. See "Defining Your Market" on page 6.

Marketing plan: Describes how you intend to present your product or service to your customers, and how will you spread the word: through advertising, trade shows, networking, word of mouth, etc. Includes the pricing, sales and distribution strategy of your product or service. See "Getting the Word Out" on page 18.

Operations plan: Describes where you will run your business (home, office, warehouse, etc.). Lists licenses, permits and insurance you may need, along with materials, equipment, and suppliers. Describes your plan for production, inventory and staffing, if applicable.

Financial information: Analyzes how much it will cost to run your business and how much you will earn. Includes where you intend to get financing, and what the funds will be used for. Provides essential financial statements you will need to get loans or investors – cash flow projections, a starting balance sheet, a projection of anticipated income, and a break-even analysis. See "Finding the Money" on page 12.

Risk analysis: Identifies how key risk factors such as the economy, new competitors, supplier problems, technologies, legal issues, personnel turnover – even weather trends – might affect your business. Describes how you will manage those risks.

Your business plan will help you:

- define your business vision;
- identify the demand for your product/service;
- decide how to price your product/service;
- clarify what you need in a location;
- determine your budget and financing needs;
- identify risks and what to do about them; and
- choose an effective marketing strategy.

Over the long term, it will help you establish your business credibility and measure your progress.

Implementation plan: Sets out a schedule showing when each step will be completed – financing, finding a location, finalizing licences, acquiring equipment, hiring staff and launching a marketing campaign, along with future milestones for measuring progress.

The elements of a business plan will vary depending on the nature of your business and in some cases, your lender's requirements.

You may spend months writing your business plan, but it will be worth it. Start with the information you have and fill in the blanks as you learn more. The exercise of preparing the plan will guide you to think about all aspects of operating your business, and will go a long way to turning your idea into a reality.

What's your business structure?

Will you operate as:

- a sole proprietorship;
- a general partnership;
- a limited partnership; or
- a corporation?

The kind of business you set up will determine how you manage accounts, records and much more. For help weighing the pros and cons of each, see: **www.smallbusinessbc.ca**

Resources

Templates and Models

- See "How to Write an Effective Business Plan" and "The Business Planning Process" at the Women's Enterprise Society of BC website, **www.wes.bc.ca**.
- Small Business BC's Interactive Business Planner, sample business plans and other resources are available at **http://smallbusinessbc.ca**. Follow the "Small Business Guides" link to the "Business Planning" page.
- See "Start and Run Guides" at **www.self-counsel.com**.
- Community Futures business links: **www.communityfutures.ca/links.index**.
- "Journey to Success – Aboriginal Women's Business Planning Guide" is available in English, French and Inuktitut on the Indian and Northern Affairs Canada (INAC) website, **www.inac.gc.ca** (see "Publications"). For hardcopies of this publication, call toll-free 1-800-567-9604 (TTY for hearing impaired 1-866-553-0554), or e-mail infopubs@ainc-inac.gc.ca.
- First Business, a site dedicated to B.C.'s Aboriginal entrepreneurs, includes a planning workshop and sample business plans based on First Nations businesses, **www.firstbusiness.ca**.

Business Counselling

- Women's Enterprise Society of BC offers complimentary business counselling for women, including business plan assessment. Phone 1-800-643-7014.
- A business plan advisory service is provided free of charge by Small Business BC. Call toll-free 1-800-667-2272 (604-775-5525 in Vancouver), or e-mail Askus@smallbusinessbc.ca.
- Many financial institutions provide small business counselling services, often tailored to women, and/or youth and Aboriginal entrepreneurs. Check with your credit union or bank.

Making It Official

Once you've completed your business plan, you are ready to take the following steps to establish your business formally and legally. (Note: some of the services require a fee.)

Choose your business name and get it approved: This is the first step in registering or incorporating your business. For instructions, see **www.bcbusinessregistry.ca**.

Register your company: Next you register your proprietorship or partnership, or incorporate your company. For instructions, see **www.bcbusinessregistry.ca**.

Get a business licence: Contact your municipality or district to obtain a business licence and to ensure you are meeting land use and zoning bylaws. See "Municipalities" on **www.bcbusinessregistry.ca** or look in the Blue Pages section of your phone book.

Choose and register a Domain Name for your website (optional).

Register for provincial taxes, including sales tax: If you buy goods for wholesale or retail sale, or provide taxable services, apply for a social service tax registration certificate. See **www.rev.gov.bc.ca/ctb** or call 1-877-388-4440, 604 660-4524 (Vancouver) or 250 387-0636 (Victoria).

Obtain a Federal Business Number (BN): You need a Business Number if you are incorporated, if you import or export, if you have employees, or if you charge GST. See **http://businessgateway.ca** or call 1-800-959-5525.

Register with Workers' Compensation Board (WCB): If you plan to hire employees, you need a BN (see above) and must register with the Workers' Compensation Board. You should also be familiar with Employment Standards. If you're incorporated, you must register with WCB at **www.worksafebc.com**.

Set up your business records: You will need an orderly record and accounting system, and are required to keep records for at least seven years. See the Keeping Records section in "Guide for Canadian Small Businesses", online at **www.cra-arc.gc.ca**.

Review British Columbia regulations: Talk to your lawyer or business counsellor to find out about any regulatory bodies that govern your business and any relevant legislation.

At the OneStop Business Registry, you can do the most commonly required business registrations and transactions from your home, office, or one of many OneStop kiosks. See **www.bcbusinessregistry.ca** or call 1-877-822-6727 (in Victoria, call 370-0332).

At OneStop, you'll find information to assist your registration decisions and your business address change notifications. You can register for:

- GST
- Payroll deductions
- Corporate Income Tax
- Import/Export
- Worker's Compensation
- PST
- Hotel Room Tax
- Municipal business licences

bc business registry.ca

Finding the Money

Karen Murphy
Express Gift Baskets Inc.

"Start up and expansion are expensive. I had to spend money to develop our website, design a catalogue and hire staff. I had to present myself as a big business before I was one."

Eight years ago, Karen Murphy needed a small loan to set up a home-based business. Three years later, she moved into office space. In 2002, she got a third loan to cover the costs of expanding into an even larger space.

"My business plan looked good from the growth perspective, but the bank didn't think I could pull off that growth. I was projecting hundreds of thousands of dollars. Banks look at bottom line of what you did last year, but my business is growth oriented. I keep looking at next year, when I've added these new corporate clients."

So Karen looked to other business lenders – Community Futures and the Women's Enterprise Society of BC. She got her first loan with a minimum of fuss, and returned to Women's Enterprise Society of BC for expansion loans. "I have a great track record with them," she says. "I've met every target, and my financials rose every month.

"My best advice to anyone starting out is to spend a lot of time on your business plan. Make sure your numbers are as concrete as possible. Put as much information into your business plan as you can get."

These days, Express Gift Baskets is an unqualified success. Karen ships baskets all over the world, and even Oprah Winfrey has ordered on-line. In fact, Karen expects that she will have to expand once again … but this time, hopes to finance that move from her own revenues.

How much is enough?

When you are figuring out how much money you will need, work out both business and personal budgets. Then calculate how much revenue your business needs to generate to cover both. You might want to take a course in financial management to learn how your business finances and personal finances relate to each other.

Be realistic. If you underestimate your costs and overestimate your revenue – a common mistake of start-up businesses – you will run into problems almost immediately.

You will need to develop and understand key financial statements and tools (see next page), especially if you apply for a loan. You can put these together with the assistance of an accountant or bookkeeper, or use templates from some of the business plan resources. For the first year or two, you will have to rely on estimates.

Key Financial Tools

Income Statement: A financial performance report lays out how much you expect to earn (revenue), and the expenses you will incur during a specific timeframe. It is typically developed along with a Balance Sheet.

Balance Sheet: A status report, or 'snapshot' of the financial state of your business at a given point in time. It shows what your company owns (assets), what is owed (liabilities) and what is left over for you (equity).

Cash Flow Statement: Shows the flow of cash into and out of your business during a specific time frame. This includes when and where you will get your money and what you will spend it on. This is the most realistic picture of your business, as it indicates how much cash you will have available at any given time to keep your business running.

Break-even Analysis: This is the volume of sales you need to cover your costs. At the break-even point, there is no loss or profit to your business.

Generally, there are two sources of money:

- investment (equity) financing from people who expect to share in the eventual benefits of your business; and
- debt financing (loans) from people and institutions who expect the money, plus interest, repaid according to an agreed-upon schedule.

Getting the money

Once you've completed your business plan and financial statements, you will have a clear picture of how much money you need to start and operate your business for the first critical year.

Most new businesses rely on a combination of personal savings, investments from friends and family, and loans to get up and running. Ask other business people about their experiences, and consult an accountant, bookkeeper or financial manager to learn more about the types and sources of financing that will work best for your situation.

Overdraft protection: Covers shortfalls in your business account up to an approved limit. Interest is charged only on the amount you borrow and the rates are competitive. Monthly administration fees usually apply.

Credit cards: Personal and small-business credit cards provide short-term loans for smaller purchases, and they can be approved with little or no security. The interest rates are usually higher than traditional loans, but there's no interest if you pay off the balance every month. But be careful: if you can't pay off the outstanding balance, interest costs will accumulate quickly.

Operating line of credit: A loan with a set limit; you can draw on it when needed. Interest rates are lower than most credit cards and some loans, and you only pay interest on the outstanding balance. There are no fixed payments, except for a monthly fee and interest, meaning you have the option of paying down the loan as you can afford it. It is usually secured by your house or other assets.

Term loans are longer-term, used to cover expensive items such as capital equipment, real estate or renovations. They have established monthly payments, so it's easy to budget. The lender will ask you for security for the loan (equity in your home, cash, equipment, etc.). Shop around for competitive interest rates for term loans. If you miss a payment, the lender has a right to demand immediate repayment.

Equity investors provide financing in exchange for a share of ownership, or equity, in your business, or simply a repayment of their investment. They can be public or private, and are often family or close personal contacts. Because of that, interest is often nominal or non-existent, and they may also be flexible in the repayment schedule. However, borrowing money from friends and family can sometimes put a strain on the relationship. Public equity investors generally only consider very large investments with large returns.

Venture capital comes from a pool of investors who are looking for a higher return. While they are usually interested in more established companies, they will consider start-ups if the potential is good. They generally seek a very high rate of return for their investment.

Angel investors look for higher risk investments with good growth potential. They can be difficult to find, are generally attracted to technology-related companies and often have very specific requirements that must be met. Angel investors usually are interested in long-term, high-return investments.

Grants do not require repayment. The criteria are usually very specific, and the application procedure can be long and time-consuming. Grants are more readily available for specialized and high-tech industries.

Your credit rating

If you have a limited or poor credit history, you may not be able to get a loan without a co-signer. Some women find that they have an insufficient credit history because mortgages and loans are written up in their partner's name, or they have always used cash – instead of debt – to pay for their purchases.

What Does it Mean?

Collateral or Security: Property or goods you pledge to the lender until the loan is repaid, e.g., equity in your house, car, savings, equipment.

Asset: Any item of value owned by your business, e.g., cash, stock, equipment, inventory, property, goodwill.

Liability: Money your business owes to other parties, which could include suppliers, lenders, employees.

Equity: The value of your business with liabilities deducted from your assets. Also refers to the ownership interest of shareholders in your business.

Credit: Repayment arrangement between your business and your lenders or suppliers, and maximum amounts they will extend to you.

Credit Rating: Your history of repaying loans, credit cards and other financial obligations on schedule.

Term loans are longer-term, used to cover expensive items such as capital equipment, real estate or renovations. They have established monthly payments, so it's easy to budget. The lender will ask you for security for the loan (equity in your home, cash, equipment, etc.). Shop around for competitive interest rates for term loans. If you miss a payment, the lender has a right to demand immediate repayment.

Equity investors provide financing in exchange for a share of ownership, or equity, in your business, or simply a repayment of their investment. They can be public or private, and are often family or close personal contacts. Because of that, interest is often nominal or non-existent, and they may also be flexible in the repayment schedule. However, borrowing money from friends and family can sometimes put a strain on the relationship. Public equity investors generally only consider very large investments with large returns.

Venture capital comes from a pool of investors who are looking for a higher return. While they are usually interested in more established companies, they will consider start-ups if the potential is good. They generally seek a very high rate of return for their investment.

Angel investors look for higher risk investments with good growth potential. They can be difficult to find, are generally attracted to technology-related companies and often have very specific requirements that must be met. Angel investors usually are interested in long-term, high-return investments.

Grants do not require repayment. The criteria are usually very specific, and the application procedure can be long and time-consuming. Grants are more readily available for specialized and high-tech industries.

Your credit rating

If you have a limited or poor credit history, you may not be able to get a loan without a co-signer. Some women find that they have an insufficient credit history because mortgages and loans are written up in their partner's name, or they have always used cash – instead of debt – to pay for their purchases.

What Does it Mean?

Collateral or Security: Property or goods you pledge to the lender until the loan is repaid, e.g., equity in your house, car, savings, equipment.

Asset: Any item of value owned by your business, e.g., cash, stock, equipment, inventory, property, goodwill.

Liability: Money your business owes to other parties, which could include suppliers, lenders, employees.

Equity: The value of your business with liabilities deducted from your assets. Also refers to the ownership interest of shareholders in your business.

Credit: Repayment arrangement between your business and your lenders or suppliers, and maximum amounts they will extend to you.

Credit Rating: Your history of repaying loans, credit cards and other financial obligations on schedule.

Resources

- To check your credit rating, you can call Equifax Canada at 1-800-465-7166 to order a free credit assessment or visit **www.equifax.com/EFX_Canada/consumer_information_centre**.

Budgets and Bookkeeping

- "Simply Essential Personal Budgeting," Sylvia S. Lim, CFP, CGA. Self-Counsel Press, 2002.
- "Balancing act: a Canadian woman's financial success guide" (revised and updated), Joanne Thomas Yaccato. Penguin, 2003.
- "Basic Bookkeeping," Canada Business Service Centres, **www.cbsc.org**. Select "Popular Business Topics," then "General Management."
- "Bookkeepers' Boot Camp: Get a Grip on Accounting Basics," Angie Mohr. Self-Counsel Press, 2003.
- "Financial Understanding for Small Business" Self Study Guide, **www.bbtb.ca**.

Financing

- Women's Enterprise Society of BC Loans Program, **www.wes.bc.ca**. Select "Financing."
- Small Business BC, **www.smallbusinessbc.ca/financing**.
- Ministry of Small Business and Economic Development programs to help small businesses access capital: **www.equitycapital.gov.bc.ca** or 1-800-665-6597.
- Western Economic Diversification Canada, **www.wd.gc.ca**. Select "Business Tools and Guides," then "Sources of Financing."
- First Citizens Fund – Business Loan Program & Business Loan Aftercare Program, **www.mcaws.gov.bc.ca/fcfund** or 250 356-5276.
- Industry Canada's Strategis site, **www.strategis.gc.ca** (see Business Support/Financing).
- Business Development Bank of Canada, **www.bdc.ca**.
- ABLED Business Loan Program for persons with disabilities, **www.wd.gc.ca/finance/programs/microABLED_e.asp**.
- Opportunities Fund for Persons with Disabilities, **www.hrsdc.gc.ca**. See "Individuals," then "Persons with Disabilities."
- Community Futures Development Corporation Growthstart Fund, **www.communityfutures.ca**. Select "British Columbia."

Sources of financing

Financial institutions: chartered banks, credit unions and trust companies.

Government-sponsored loan programs: industry, economic and regional development loans, and loans for specific populations.

Private capital sources: including angel investors (see page 14).

Corporate sources: Some corporations offer grants or awards for entrepreneurs.

Grants and tax credits: These can help reduce the cost of operating your business

Learning the Ropes

Deirdre Campbell
Tartan PR

"You really do feel that you don't want to let yourself down, or let your mentor down. But it's a very positive pressure, not negative."

When Deirdre Campbell left her job at a Victoria public relations agency, she expected to move in with another agency in town. But her mentor, a long-time business associate, had other ideas.

"He said that instead of going right back into a similar situation, I should use this setback to recover and move to a higher level. He said this is the best time to take the chance and start my own business, because I could always go back to where I was before. He was right."

Thanks to her mentor's active support, Deirdre and a partner opened Tartan PR. They've carved out a niche in tourism public relations, and haven't looked back.

The challenge, she says, is to "choose someone who you feel strongly has something to teach you and won't let you off easy, someone who will say to you, 'I think you can do this, and I don't want to hear the whining.' It's also really important to get someone who will challenge you, but not tell you what to do. My mentor was never pushy. He just puts an idea out there and I make the decision when I'm ready."

Campbell is a mentor herself these days, and takes her role seriously. But she says it's critical that people take charge of their own success. "I never mind taking time, but people need to call me, not wait for me to call them. I won't be thinking about them all the time, because I'm busy too."

Learn from the best

If this is your first step into the business world, find a mentor. A mentor can provide invaluable advice, insights and encouragement along the way to help you make thoughtful choices. If you can, work alongside another business owner in the same industry to gain some experience.

Your mentor does not have to be in the same industry as you are, but she or he usually has more experience. Mentors can pass along valuable insights, making you think about things that might never have occurred to you. They can talk about the business-building process, industry trends, administration challenges, marketing strategies, what work is profitable – and what is not.

Don't confuse mentoring with free professional advice. For example, don't ask a marketing consultant to help you build your website. Instead ask them to give you tips about or what to look for when hiring someone to do that.

Don't be afraid to ask. You will be surprised by how many people are willing to help. Many mentors want to give back or make a contribution to their industry or community, or to help a person they respect.

The nature of owning your own business is that you're expected to know it all ... even if you don't. While you can't be an expert in everything, you should attempt to close gaps in your knowledge through a mentor, direct experience, or by taking some courses.

If you only learn three things ...

Brush up on subjects that are applicable to your industry and business so you can make informed decisions. You should also learn as much as you reasonably can about key challenges that most entrepreneurs face, particularly in three areas that are considered to be key success-makers or success-breakers:

- **Financial management:** Even if you have a good accountant, make the effort to learn how to correctly estimate costs and revenues, manage purchasing and inventory, payment and collections, budgeting and tracking. You've put a lot into this business: make sure you understand the story your revenue and expense columns are telling you.
- **Business management:** Some businesses stagnate and miss the boat, while others grow so fast they explode. You should understand and apply the essential theories of growth management and strategic planning so that your business doesn't burn out.
- **Marketing:** When you have a product or service to sell, it is essential you get to know your market inside out. This includes learning how to identify and reach your potential customers and acquiring competitive intelligence.

Courses in almost every subject area are available through educational institutions, community colleges, business organizations, government and community development agencies. Find courses by subject at **www.achievebc.ca/cpt/programbysubject.html**.

Ideas for finding a mentor or mentoring program:

- Ask family and friends who are in business, retired, or have business contacts.
- Check the websites of business or professional organizations.
- Research businesses and trade magazines in your community to find respected business people.
- Join the local chapter of a professional association in your industry, or a women's business networking organization.
- Talk to your local Chamber of Commerce.

Resources

- Business Beyond the Box training and mentoring programs, **www.bbtb.ca**.
- Industry Canada **http://strategis.gc.ca** links to mentoring resources: Business Support/Managing for Business Success/Business Tools.
- Training resources at e-BC, **www.e-bc.ca**.
- Forum for Women Entrepreneurs in BC, **www.fwe.ca**, includes information on training, mentorship and networking resources.
- Peer Resources mentoring, **www.peer.ca**, or call 1-800-567-3700 (595-3503 in Victoria). Website in French and English.
- Canadian Youth Business Foundation mentoring programs and training links: **www.cybf.ca**, **www.onlinementoring.ca**.
- Step Ahead: Women Business Owners Mentoring for Success, **www.stepaheadonline.com**.
- Minerva Foundation, **www.theminervafoundation.com** or 604-683-7635.

Getting the Word Out

Amber Murphy
Purple Dragon International Karate Jiu Jitsu Association

Sensei Amber Murphy started studying martial arts when she was 16. Now, at 25, she owns her own school in Vancouver, a franchise of Purple Dragon International Karate Jiu Jitsu Association.

She used to run the school as a volunteer when it operated out of a community centre, but decided that it was time to start her career. After working extensively on her business plan, she applied for a loan from the Canadian Youth Business Foundation. She looked for space, found it in Kitsilano, and opened her full-time martial arts school. Amber chose that facility because it was the best location she'd seen. But it turned out that there are also lots of schools nearby, and they've become a mainstay of her marketing strategy. She draws students to Purple Dragon by hosting events such as mini-slam championships, karate boot camps and doing demonstrations at festivals in the community.

She also markets herself as a young, energetic role model. "I promote my achievements, such as being the first female Canadian Black Belt in the Don Jitsu Ryu System, and the first female Canadian Sensei in this style of martial arts."

Amber has another marketing advantage. There are not many female Black Belt martial arts instructors who run their own school, and this attracts attention.

"People come to Purple Dragon Academy for many different reasons: our international world class reputation, self defense, or to gain more confidence and fitness. Our school has a family environment, and I think people like that."

"But the most important part of my marketing strategy is keeping quality in the school. I find that word of mouth marketing is the best advertisement, students with enthusiasm for their programs is the way to go."

Your market research is the foundation of your marketing plan. It will determine how you will deliver your product or service, how you will present yourself, (your 'branding'), what messages your customers will respond to best, and where you should concentrate your advertising and promotional efforts to get the best response.

There are hundreds of ways to spend your advertising budget, from direct mail, e-mail campaigns and trade shows to traditional radio, television, newspaper and magazine advertising. Whatever you choose, if you can afford it, hire professionals to help develop your support materials, logo, packaging, advertisements and sales messages.

Tried and true ...

Networking is still one of the most powerful forms of marketing. The good news is that it can be as informal as "seeing and being seen" at community events, networking groups, industry associations or social gatherings. Networking is great way to tap into the benefits of 'word of mouth.' People will get to know and remember you, and refer your services to others.

... or relatively new

At the other end of the spectrum, a website works as an advertisement, a resume, or a virtual storefront where you showcase products and services or sell them online. Invest in the services of a web design company to develop a professional, appealing and user-friendly website. They should offer technical programming, professional graphics and writing, content design, and marketing science for your website.

If you want an effective web presence, you must also advertise your website, and that includes paying for "web seeding" services. This will get you listed with major search engines such as Google and Yahoo, so customers can find your site by typing in key words. The whole process can be time consuming, but is essential in ensuring your website is an effective and powerful marketing vehicle.

... or new horizons

One way to expand your customer base is to export your product or service outside our borders. New technologies make this especially attractive for knowledge-based industries.

"Four Ps" of Marketing

Marketing plans are implemented through:

- product/service: how it's designed to meet your customers' needs;
- pricing, relative to the competition, regulations and profitability;
- placement, or location and distribution channels; and
- promotion, advertising, selling or publicity.

Resources

- Marketing and networking resources at **www.bbtb.ca** and **www.smallbusinessbc.ca**.
- "Marketing Your Service" (4th ed.), Jean Withers and Carol Vipperman. International Self-Counsel Press, 2003.
- Canadian weekly online publication, **www.marketingmag.ca**.

Exporting Resources

- Businesswomen in Trade, **www.dfait-maeci.gc.ca/businesswomen**.
- Export Development Canada, **www.edc.ca, www.exportsource.ca**.
- Team Canada international business development, **www.teamcanada.gc.ca**.
- "Exporting from Canada," Gerhard Kautz. International Self-Counsel Press, 2002.

Finding the Balance

Deborah Vandenakker
Fresh Design

"I have a work-life balance, and I realize it's something I have to do. It's important for the success for my business to achieve that balance; it's a priority."

Deborah Vandenakker insists on balancing her work and her life. She makes time for her friends and personal fitness. And she recently acquired Stanley, a canine "associate" who gets her away from the computer while she takes him out for regular afternoon walks.

Her graphic design business, Fresh Design, is only two years old, and still in the early stages, when work demands are at their peak. Add to that the fact that she works at home, and it's easy to slip into long days, day after day after day.

"I try not to work on weekends, and I specifically make time for friends and family," she says. "I am known as 'The Entertainer,' and when I started the business, I was putting so much focus on it that I was not having as many people over, not having as many dinner parties. So I started to do 'Friend Appreciation Dinners,' where I'll cook for everyone. I'll also do a 'Deb Weekend,' where I concentrate on what I want to do."

Her other strategy was to seamlessly blend her work and living space. While she has a separate office and a studio, she works throughout her house – even using her living room as a meeting space for clients.

"I knew I had to create my own Fresh Design brand at home as well, so I painted it white, sky blue and green. When clients come in, they feel that they're in the Fresh Design office, but it doubles as my living room. I love my space, and I've created what I want."

Trying to find the balance between a healthy business and a happy home life is one of the biggest challenges business owners face. This is especially true in the first few years of your business, when your time commitment is so great, and your business is still developing its own routines and rhythms.

When you're starting, take a bit of time to figure out where you may want to draw the line. Be prepared to make conscious choices about the trade-offs or investments of time and energy you are willing to make to build your business.

It's still about relationships: Feeling good about your life depends on the strength of all your relationships – with customers, employees, partners, family, friends and community. Consider how the time and financial implications of running a business will affect the people in your life. Think about how your business needs will influence your family, and how time with your family will affect the business. If you live in a small community, prepare for a possible loss of privacy and a more public relationship with long-time residents and friends.

Enough is enough: Running a business will place great demands on your time and you will likely end up juggling family commitments, vacations and free time. While the workload may seem like it will never end, you can actively set some limits. Keep an open mind about hiring someone to take the load off. Determine what time sacrifices you are prepared to make for your business. Define the boundaries, and build your plans around them.

The financial investment: Will you use your home or nest egg as collateral for the business? How long before money comes in? Can you still make ends meet? Address these kinds of questions early, so you can work out the solutions long before they turn into problems for everyone involved. Contact your local Chamber of Commerce to find out about benefit programs for small businesses. Talk to your bank or financial advisor about setting up an automated retirement savings account.

Staying healthy: Taking the time to eat right, stay active and get enough rest is an investment in your business. Don't let your personal health and well-being slide. You should also have a contingency plan that includes illnesses, pregnancy, care of children and elderly family members – not to mention a bit of preventive rest and relaxation.

Manage your plan for work-life balance with as much vigour as you would your business plan. No matter how busy you get, don't forget to come up for air at least once a year to re-visit and adjust your plan. Your success – and your happiness – may depend on it.

Child Care

Parents can search for licensed child care facilities by postal code at:

www.mcf.gov.bc.ca/childcare/parents.htm

Resources

- "Work-Life Balance in Canadian Workplaces", **www.hrsdc.gc.ca** Select "Business / Labour" and "Workplace."
- Consider ergonomics in the set-up of your work space: this will help you avoid work-related strain such as carpal-tunnel syndrome. See **www.healthycomputing.com** for tips.
- "Briefcase Moms: 10 Proven Practices to Balance Working Mothers' Lives," Lisa Martin, founder and president of BC-based company Briefcase Moms, 2004. **www.briefcasemoms.com**.
- "Honey, I Want to Start My Own Business: A Planning Guide for Couples," Azriela Jaffe. HarperBusiness Publications, 2000.

Key Resources

British Columbia

- Women's Enterprise Society of BC (WESBC) serves women in business across BC, **www.wes.bc.ca**, **www.bbtb.ca** or phone: 1-800-643-7014.
- Small Business BC, **www.smallbusinessbc.ca**, phone: 1-800-667-2272 (604-775-5525 in Vancouver).
- OneStop BC offers business services online and at kiosks around the province. See **www.bcbusinessregistry.ca**. Call the OneStop Help Desk at 1-877-822-6727 to find the kiosk nearest you.
- To find provincial government programs or departments, call Enquiry BC, 1-800-663-7867 (387-6121 in Victoria, 604-660-2421 in Vancouver). TTD for hearing impaired, call 1-800-661-8773 (604-775-0303 in Vancouver). E-mail EnquiryBC@gems3.gov.bc.ca.
- BC Chamber of Commerce, **www.bcchamber.org**.
- Better Business Bureau: Mainland BC, **www.bbbvan.org**, 604-682-2711; Vancouver Island, **www.bbbvanisland.org**, 250-386-6348.
- Be Your Own Boss entrepreneur site for Vancouver, **www.beyourownboss.org**.
- International Self-Counsel Press – owned by a BC woman – offers a variety of "Start & Run" guides on enterprises such as crafts, desktop publishing, and tour guiding businesses, bed-and-breakfasts and second-hand stores. They can be found in the "Business Books" section of the Self-Counsel Press web site, **www.self-counsel.com**, and in public libraries.

Canada

- Western Economic Diversification, **www.wd.gc.ca**.
- Business Development Bank's Woman Entrepreneur, **www.bdc.ca**, 1-877-BDC-BANX (232-2269).
- Industry Canada, **www.ic.gc.ca**.
- Government information on business in Canada, **http://businessgateway.ca**.
- Business resources, **http://strategis.ic.gc.ca**.
- Canada Business Service Centre, **http://cbsc.org**.
- Community Futures Development Corporations, **www.communityfutures.ca**.

More Information:

For First Nations Entrepreneurs

- First Citizens Fund, **www.mcaws.gov.bc.ca/fcfund**.
- First Business, **www.firstbusiness.ca**, 1-800-551-2276, 604-775-6299.
- "Aboriginal Entrepreneur," Business Development Bank of Canada. **www.bdc.ca** or 1- 877-BDC-BANX (232-2269).
- Aboriginal Business Canada, **http://abc-eac.ic.gc.ca**. Phone 604-666-3871 in BC.

For Ethnocultural Entrepreneurs

- Société de développement économique de la Colombie-Britannique, **www.sdecb.com**. Phone 1-877-732-3534 (604-732-3534 in Vancouver).
- Chinese Women Entrepreneurs Association. 905 – 1788 West Broadway, Vancouver BC V6J 1V1. Phone 604-222-9789.
- United Chinese Community Enrichment Services Society (SUCCESS), Business Development Centre, **www.success.bc.ca** (see "Info Centre"), phone 604-732-3278.
- Ethno Business Council of British Columbia, **www.ethno.org**. Phone 604-687-6631. 1361 Robson Street, Vancouver BC, V6E 1C6.

For Young Entrepreneurs

- Young Entrepreneurs Association BC (YEABC), **www.yea.ca**, 1-888-639-3222.
- "Young Entrepreneurs," Business Development Bank of Canada. **www.bdc.ca**. Phone: 1 877 BDC-BANX (232-2269).
- Canadian Youth Business Foundation, **www.cybf.ca**.

For Entrepreneurs with a Disability

- Ministry of Human Resources (MHR) Employment Program for Persons with Disabilities, **www.mhr.gov.bc.ca** (see "Information for Persons with Disabilities"). Call Enquiry BC at 1-800-663-7867 (387-6121 in Victoria, 604-660-2421 in Vancouver) for your nearest MHR office.
- Opportunities Fund For Persons With Disabilities, **www.hrsdc.gc.ca**. Phone 1-800-206-7218.
- Entrepreneurs with Disabilities Network, **www.communityfutures.ca**
- Canada Revenue Agency's Guide for Canadian Small Businesses, Publication # RC4070 (E) Rev. 01, is available in Braille or large print, or on audio cassette or computer diskette. Phone 1-800-267-1267.

For more information about women entrepreneurs

- "Prime Minister's 2003 Task Force Report on Women Entrepreneurs."
- "Best Practices for Women Entrepreneurs in Canada," May 2004. Foundation of Canadian Women Entrepreneurs in partnership with Business Development Bank of Canada.

Both publications are available online at **www.bdc.ca**. Select "Women Entrepreneurs," then "Useful Links," then "Information".

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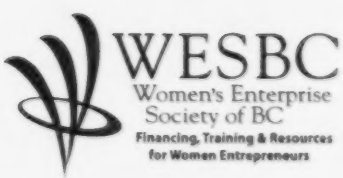

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